



March 19, 2004

Mr. William Cole Storm, CHMM Project Manager Minnesota Environmental Quality Board

St. Paul, MN 55101

RE: CON and Site Permit Application for the Proposed Blue Lake Power Plant Expansion

Dear Mr. Storm,

Thank you for the opportunity to comment on Xcel Energy's application to the Environmental Quality Board (EQB) for the Blue Lake Generating Plant Expansion Project Site Permit and Transmission Line Route Permit. There are a few issues that we believe should be addressed further in the EQB's Environmental Review Process. They are as follows:

- 1. Has Xcel Energy exhausted all options for transmitting electrical power from the project site substation in order to minimize impacts to the natural features of Minnesota Department of Transportation (MnDOT) Parcel No. 75? It was noted at the March 11, 2004 Public Hearing at Shakopee City Hall that MnDOT Parcel No. 75 comprises the last remaining oak savannah in the entire Minnesota River Valley. Minnesota Department of Natural Resources has determined that approximately 99% of the oak savanna in existence in the State of Minnesota during pre-settlement times have been permanently eliminated to date. We request that additional financial and technical information pertaining to all viable routing options be provided to evaluate whether an alternative to the proposed route exists that if selected would avoid this dramatic impact to one of the states rarest ecological communities. Examples of potential options include:
 - Reconductoring either of the two existing transmission lines so that the project could proceed with no additional negative impacts to the oak savanna (Exactly, what problems and costs are associated with reconductoring either/both of the existing transmission towers/lines? Can these problems be overcome with good/innovative engineering?);
 - Running aboveground or underground transmission lines east or west of the
 oak savanna (including the possible route west from the power plant along
 Hwy 169 and then immediately south to the eastern edge of the Dean Lake
 commercial development a total distance of approximately two times the
 length of the proposed route).

2. The Minnesota Department of Natural Resources provided Xcel Energy a biological survey report of rare plants and animals in the vicinity of this project. That information was supplied to the applicant on October 13, 2003. On February 18, 2004, STS Consultants sent to the DNR and the City of Shakopee, a report regarding Information Pertaining to Natural Plant Communities and Rare Species on Lands East and North of Deans Lake in Shakopee, Minnesota; STS Project 95394-X. The report mentions encounters of various rare species and animals not found in the in the DNR's information. Some of the rare species and animals were observed in the project location of the proposed transmission lines. This new information is significant enough to require further investigation. Please refer to the report enclosed with this letter.

The City Of Shakopee recognizes the unique natural quality of MnDOT Parcel No. 75 to both the local area and to the State. The City has been in discussions with the Minnesota Department of Transportation with respect to acquiring parcel 75 for a community park. We feel there is a significant cost to the local community and to the State to route the new transmission lines as proposed, and request further consideration of any and all viable alternatives so impacts to the oak savanna can be minimized or avoided altogether.

Please call us if you have any questions regarding these concerns. We are confident Xcel Energy shares our interest in avoiding negative impacts of power plant expansion to the local community. We look forward to receiving the requested information and would be happy to assist the EQB in evaluating the options presented by Xcel Energy.

Sincerely,

Mark McNeil

City Administrator

Mark McQuillan

Natural Resources Director

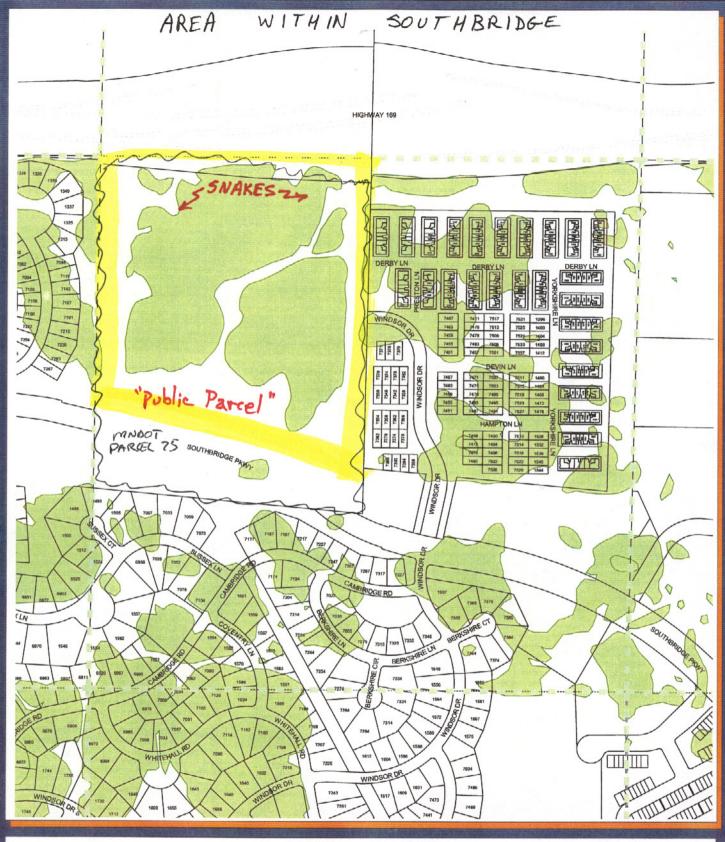
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Attachments

CC: Shakopee City Council

Shakopee Environmental Advisory Committee Sarah Hoffmann, Endanger Species Environmental Review Coord., MnDNR

Larry Klemz, Minnesota Department of Transportation







Address Quarter-Section

Quarter: SE

Township: 115

Section: 11

Range: 22

LEGEND

Quarter-Section Line Pavement Boundary Line Parcel Boundary MCD Boundary



Woods

October 17, 2001 Date: Scale: 1 inch = 500 feet

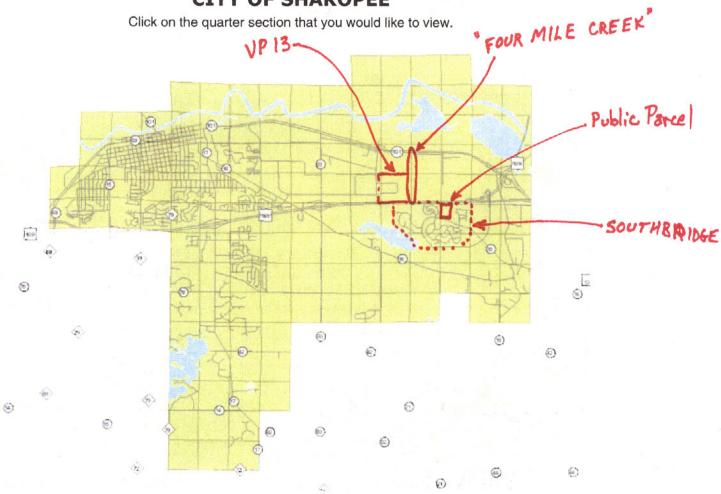
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ScottView

CITY OF SHAKOPEE



Blakeley | Belle Plaine | Belle Plaine Twp | Cedar Lake Twp | Credit River Twp | Elko | Jackson Twp | Jordan |
Louisville Twp | New Market | New Market Twp | Prior Lake | St. Lawrence Twp | Sand Creek Twp | Savage |
Shakopee | Spring Lake Twp | Scott County

Minnesota Department of Natural Resources STS Project 95394-X February 18, 2004 Page 4

Species Specific Monographs

Enclosed with this letter you will find descriptions of unique species found in the Deans Lake area, primarily at Southbridge and VP 13. In some cases, the information is not definitive but is provided for your consideration. Figures are enclosed with the monographs to illustrate the locations cited and provide a means for DNR to confirm/investigate the reported observations.

STS and Valley Green hope this information is useful to you in your protection of our natural heritage. On behalf of the development team, we hope the efforts to preserve our natural heritage are fruitful. It has always been our hope that cooperative programs can emerge involving the DNR and the occupants of these lands. If you wish to clarify the information provided herein, please contact Steve Carlson of STS by calling 763/315-6340 to discuss. We appreciate your time spent reviewing this information, and interest in these matters.

Sincerely,

STS CONSULTANTS, LTD.

Steven J. Carlson

Senior Consulting Scientist

SJC/dn Encs.

cc:

Jon Albinson - Valley Green Business Park

Mark McQuillan - Parks and Recreation Manager (letter and information for "Public Parcel" and

Four Mile Creek corridor only)

Charlie Kubler - Chair of Environmental Advisory Committee

Minnesota Department of Natural Resources STS Project 95394-X February 18, 2004 Page 3

Minnesota River. Valley Green has been cooperative with Shakopee's Environmental Advisory Committee (EAC) and city Parks and Recreation departments so that conservation initiatives can consider the natural treasures present on these lands.

Valley Green and its developer partners have completed their responsibilities with respect to wetland permits and other covenants that apply to Southbridge and VP 13 developments. In the process of closing project files, STS encountered past project notes and memos concerning some of the area's natural heritage, including interviews with local residents.

Interview with Terrance Hanson

STS spoke with Terrance (Terry) Hanson, owner of Eagle Creek Stables, on multiple occasions. According to Mr. Hanson, a coyote den previously existed where the current MnDOT corridor (Highway 169) has been constructed. STS encountered the location of this den as described by Mr. Hanson, near a wetland located north of the public parcel previously described in this letter. In addition, two representatives of STS came within 35 feet of a running coyote in the course of wetland delineation on October 29, 1993.

Mr. Hanson also indicated that construction of the Prior Lake Interceptor (deep sewer conduit leading to the nearby Blue Lake Wastewater Treatment Plant) had disturbed a significant area of land. In the process of tending his horse pasture areas on the property, Mr. Hanson observed the construction. Mr. Hanson remarked that he never saw clay imported to the site for the purpose of seepage collars along the sewer line, as had been planned for this utility. Following construction, wetlands on the Valley Green properties and nearby parcels appeared to show diminishing hydrologic function. Such changes may correlate to fluctuations in precipitation, although the Environmental Impact Statement for a nearby quarry projected the water table would drop 1-6 feet during quarry operations, depending on location. The observed reduction of wetland hydrology indicators has not been shown to be related to sewer conduit impacts, or quarry operations. Much of the onsite wetlands have shown improved hydrology after construction at Southbridge, which coincides with termination of quarry operations. Other activities which may have impacted wetland hydrology on a local basis included the excavation of peat from a dried-up marsh (now a restored pond near the central part of Southbridge) in circa 1982.

Other Local Residents

Long-time residents of Shakopee, including Charles Sweeney, have discussed the recent history of the Deans Lake area with Jon Albinson. STS has held conversations with Mr. Sweeney from time to time. These discussions indicate that the Deans Lake area was a prime turtle harvest area in the 1930s and 1940s, and collection of snakes and turtles in this area continued to occur, primarily by youth. According to these sources, harvesting of turtles resulted in a virtual disappearance of these species from the area, although common species likely recolonized these lands despite the intensive harvest. Various counties had bounties for killing "vermin" such as gophers, snakes, and crows; in some areas this may have had an impact on the populations of species. Today, whitetailed deer and wild turkeys continue to travel through the area; hawks and eagles are often seen flying overhead. The site's proximity to the Minnesota River Valley, and efforts to preserve natural plant communities around Deans Lake is expected to provide a corridor for wildlife movement.

Minnesota Department of Natural Resources STS Project 95394-X February 18, 2004 Page 2

Numerous western plant species have been found scattered throughout the agricultural fields. These species include Koeleria cristata, and a variety of pig weeds and tumbleweeds (genus Amaranthus, Polygonum, and Sisymbrium). In addition, leafy spurge (Euphorbia esula) has become naturalized throughout much of the county, and numerous common agricultural weeds (horseweed, coltsfoot, soapwort, thistles, knapweed, and povertyweeds) became established on lands owned by Valley Green.

The impact of horses on the landscape was not limited to manuring the fields with stable waste from Canterbury. Many trails existed before development. Most of these were well-defined through the actions of horse traffic across the property. Fallow lands not supporting productive growth of small grains held horse trails used by Eagle Creek Stables, a local commercial riding facility that held agreements with multiple landowners for entry/egress by horses and customers.

The proximity of these undeveloped lands to the City of Shakopee made Valley Green's property attractive to trespassers. Valley Green has labored to control trespass, unauthorized harvest of firewood, and poaching. Parties held by the local youth resulted in fires that in some cases spread to peat in wetlands around Deans Lake during dry periods. In some cases, the substrate had been burned away approximately 2 feet, allowing reed canary grass (Phalaris arundunacia) to spread into these areas and advance its range on the property. On the other hand, fire suppression associated with agriculture, equestrian traffic, and proximity to developed areas of Shakopee likely had an effect on the succession of prairie/savannah natural plant communities that preceded settlement.

Environmental Review

Valley Green considered ways to develop the property with reduced impact to natural plant communities, including wetlands. Available information was reviewed with respect to mapped natural plant communities and rare species. The information reviewed indicated that rare species were identified in a savannah/prairie remnant on the public parcel of land within Southbridge. Species included plains pocket mouse, gopher snake, and rhombic petaled evening primrose.

In addition, rhombic petaled evening primrose was identified to have scattered finds throughout adjacent sections, including lands to be developed at Southbridge. Valley Green's partner in the development of Southbridge (Shakopee Crossings) agreed to have Svoboda Ecological Resources (SER) conduct on-site review to confirm the plant's presence, and locate its occurrence to consider ways of minimizing impact to the species. STS reviewed the field reconnaissance with Jeff Olson of SER. SER conducted botanical confirmation and collected voucher samples in conjunction with the work. We believe their findings have been transmitted to you, though we do not have a copy of their work.

Aside from the proximity to rare species and presence of a special concern of species on the property, no definitive information was available that identified the presence of threatened or endangered species at Southbridge. Site development commenced in conformance with applicable regulations. Valley Green and its partner developers have provided resident education materials to the Homeowners' Association that oversees member neighborhood associations comprised of Southbridge residents. The intention of this information was to assist the homeowners in taking an active stewardship role for conservation of natural features, including wetlands and rare species.

In conjunction with the resident education and regulatory compliance activities described above, Valley Green retained STS to install wetland conservation easement monuments around a central wetland complex that includes areas with scattered rhombic petaled evening primrose occurrences. These lands have been deeded to the City of Shakopee as a parkland dedication. The area at VP 13 where rare species were observed by STS has been converted into a conservation easement, except for the area falling within judicial ditch easements for "Four Mile Creek", the outlet of Deans Lake that flows into the



voice 763-315-6300 fax 763-315-1836 web www.stsconsultants.com



February 18, 2004

Ms. Hannah Dunevitz Ms. Joan Galli Minnesota Department of Natural Resources 500 Lafayette Road St. Paul, MN 55101

Re:

Information Pertaining to Natural Plant Communities and Rare Species on Lands East and North of Deans Lake in Shakopee, Minnesota; STS Project 95394-X

Dear DNR Ecologists:

STS Consultants, Ltd. (STS) has assisted Valley Green Business Park (Valley Green) with environmental review and wetlands-related services since 1989. As our firm completes its final tasks for this client, Valley Green project director Jon Albinson has requested we compile a summary of ecological information gathered over the years that you may find useful. The information includes summaries of interviews with knowledgeable local individuals, a summary of STS findings relative to environmental/ecological reviews conducted on the subject properties, and an overview of development history affecting these and nearby lands.

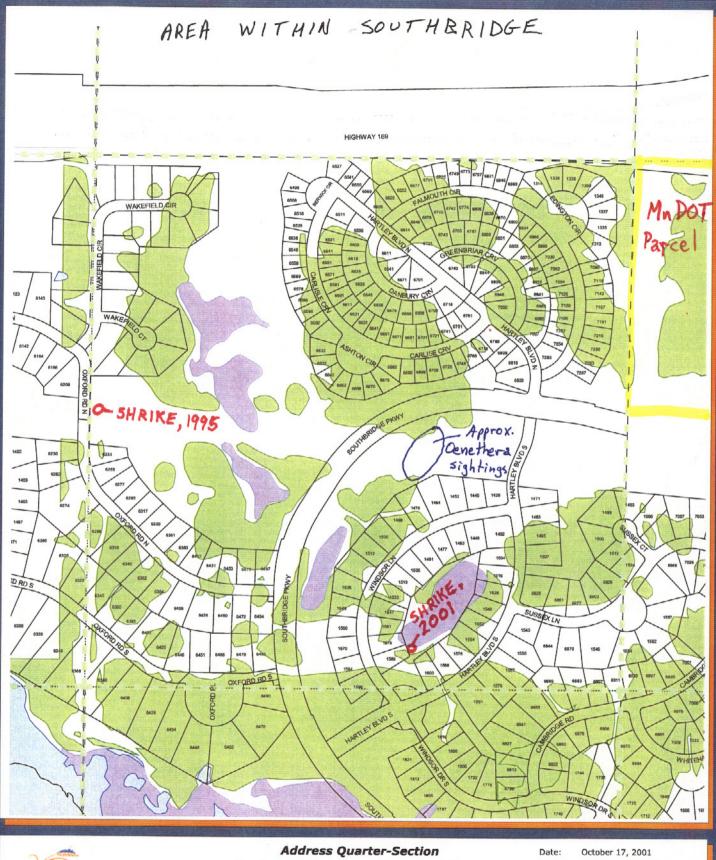
Attached you will find monographs for species (evidence/observations of the species' presence) observed by STS. In the interest of brevity, the monographs related to animals will be provided only to Ms. Galli; monographs related to rare plant species or presumed rare/unusual plant species will be provided only to Ms. Dunevitz. Copies of maps are also provided as appropriate to help illustrate the information we are providing.

We apologize that this information is not of the highest possible quality. In some cases the information is anecdotal only and in other cases the information available to us could be considered preliminary. We understand you may need to consider the utility of this information, and may wish to confirm whether rare plants or animals are present or warrant further investigation. Valley Green wanted to transmit this information to you, so that you may derive whatever value this holds for DNR. The information, as developed, did not appear to have significant impact on project planning by Valley Green and has remained in memo and note form in our files until now.

Property History

Valley Green Business Park held approximately 1,000 acres of undeveloped land in 1981. The property development by Valley Green included the Canterbury Entertainment Complex, development progressed generally eastward and southward over time. The findings of rare plants and animals described in this letter primarily occurred on lands now generally known as Southbridge and Valley Park 13th Addition (VP 13). Most of the lands for which Valley Green played a development role are contiguous. One exception is publicly-owned land surrounded by Southbridge and the Highway 169 corridor. approximate boundaries for VP 13, Southbridge, and this public parcel are shown on an attached figure.

Most of the lands owned by Valley Green, including the Southbridge and VP 13 parcels, remained in agricultural use up to the point site grading commenced for development. Agricultural uses included small grain production. These lands were manured with the barn cleanings from Canterbury Stables. The nature of equestrian racing is such that animals and hay from throughout the United States are brought to the racing complex. Barn cleanings can include the vegetative remnants and seeds from a variety of species outside the region where the race track is located. Such appears to be the case with Canterbury.







Quarter: SW Township: 115 Section: 11 Range: 22

LEGEND



Quarter-Section Line Parcel Boundary

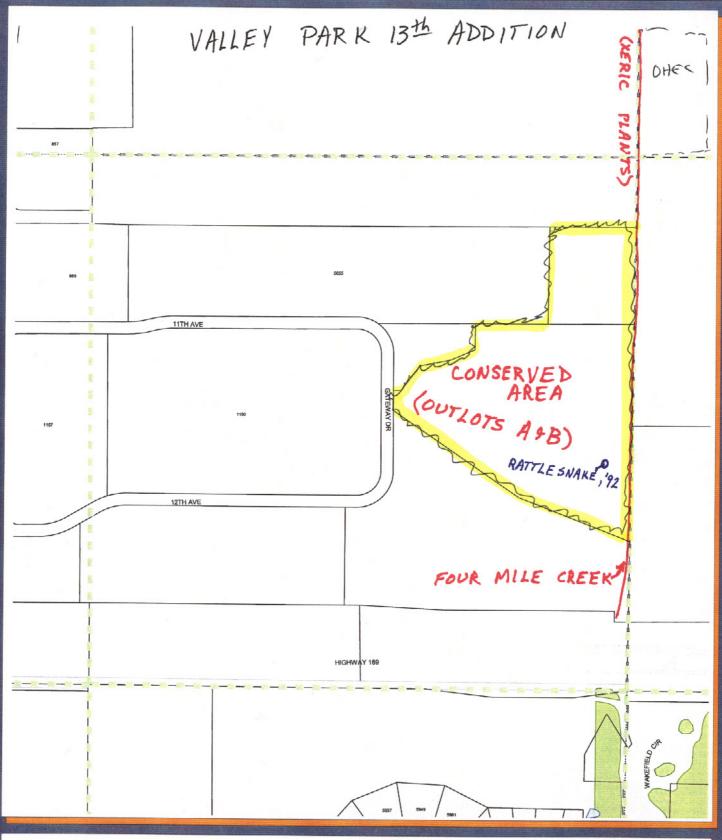


Swa mp Woods Building Scale: 1 inch = 500 feet

R.F.: 1:6,000



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Address Quarter-Section

Quarter: NE Township: 115 Section: 10 Range: 22

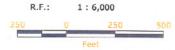
LEGEND





Date: October 17, 2001 Scale: 1 inch = 500 feet

R.F.:



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Species Monograph for: Lanius Iudovicianus

Common Name: Loggerhead Shrike UTM Grid 15 Coordinates:

LOCATION: T 115 N 4958190 N

R 22 W 465697 E

S 11 (1/4 of the SW 1/4 of the SW 1/4)

DATE: 10/28/1995 Inferred Means of Identification:

DNR staff, Steve Kittleson indicated a horse rider reported a possible sighting on lands now known as Southbridge. STS was made aware of this on August 14, 1995, and became more watchful for this species. On October 28, 1995, an STS Field Scientist heard a high-pitched call near his location. Approaching slowly, the scientist observed the bird looked like a Shrike, and continued to flash its tail up and down as it balanced on a fencepost. The head appeared somewhat massive, and an attempt to photograph it was made, but the photo showed only a sillouhette. Identification was not conclusive, although the calls were sharp and melodic, not raspy which is described for the Northern Shrike.

The original observation on a fencepost corresponded to the western line of Section 11, within the overhead power line easement now operated by Xcel Energy. This corridor is conserved as Open Space within the Southbridge community.

Mitigation Wetland Monitoring conducted by STS for a residential developer within Southbridge observed numerous grasshopper bodies impaled on the thorns and/or small twigs of a plum tree, within the NE corner of the SW 1/4 of the SW 1/4 of Section 11. DATE: 6/22/01 Loggerhead shrikes are known toimpale prey items on thorns and barbed wire, the observations were made during summer which reduces the liklihood that Northern Shrikes were involved. The location of this observation is within a Conservation Easement for a naturally-occurent wetland in the "Hamlets" neighborhood, the coordinates shown above are for the clump of plum trees mentioned.

Monograph for: Public Land at Southbridge

Common Name: Dry Prairie/Oak Scrub UTM Grid 15 Coordinates:

LOCATION: T 115 N na N na E

S 11 (1/4 of the NW 1/4 of the SE 1/4)

(approximate)

DATE: 1990-2

Means of Identification:

Wetland delineation on lands owned by Valley Green Business Park resulted in straying on to adjacent lands, owned by the State of Minnesota (MnDOT).

Species encountered on these lands included Gopher Snake (Bullsnake), and Eastern Hognose Snake. The 1998 County Biological Survey shows this area as Dry Oak Savanna, Barrens subtype. Surrounding lands owned by Valley Green Business Park included agricultural fields and wetlands. Lands near the north end of this parcel held a hollowed-out area beneath dead trees on a steep bank, reported to hold a coyote den.

Species Monograph for: Crotalus horridus

Common Name: Timber Rattlesnake UTM Grid 15 Coordinates:

LOCATION: T 115 N 4959274 N

R 22 W 465185 E

S 10 (NE1/4 of the SE 1/4 of the NE 1/4)

DATE: May, 1992

Means of Identification:

A snake with distinctive dark bars on a tan background was observed in a dried-up wetland basin, during a wetland delineation. The wetland's substrate had dried up completely, leaving a subsided dry organic deposit over a broken rocky surface. The snake struck twice at the delineator, who initially thought this was an Eastern Hognose snake making false attacks to ward off the intruder. A rattling/buzzing sound was heard. After the second strike, the delineator observed the distinctive rattle on the tail, and noted that the specimen's eyes were milky-colored, apparently due to a recent moulting of the snake's skin.

Monitoring of mitigation areas nearby included occasional observations of snake tracks on sandy soils exposed along the Dean's Lake Outlet Ditch ("Four Mile Creek"). The tracks resembled the distinctive "sidewinder" pattern, but no definitive identification was confirmed.

NOTE: The species was identified as a "Special Concern" species in texts used in 1992. This species is a State-Listed "Threatened" species in Minnesota under current regulations.

Monograph for: Fourmile Creek Xerophyte Corridor

Common Name: Dry Prairie Remnant UTM Grid 15 Coordinates:

LOCATION: T 115 N 4958600 + 400 **N**

R 22 W 465700 ± 20 E

S 10 (NE1/4 of the NE 1/4 of the NE 1/4)

DATE: 1995-6

Means of Identification:

Informal observations of this plant community were made when walking the Four Mile Creek (aka "Deans Lake Outlet ditch") corridor for a wetland delineation. The plant community represented here was a narrow corridor of native plants, found between the creek's grassy banks and adjacent lands that had been in agricultural use. Observations were limited to the Creek's western bank. The purpose of the visit was to collect detailed observations of Hydrophytic plant communities, therefore detailed taxonomic work was not performed on the the Xeric species. The plant community had sparse coverage, the dominant species were graminoid forms.

Species encountered include: Asclepias tuberosa Dalea purpurea Pediomelum argophyllum

Others observed appeared to fall in these genera:

Ammophila Lespedeza Penstemon

Some species in these genera are listed rare plants.

The coordinates listed above are approximate, the greatest number of unusual plants was seen at the northern end of this cooridor, south of an oak woodland. The area appeared to lie within an easement for the ditch.

Valley Green # 95394-X

Species Monograph for: Oenethera rhombipetala

Common Name: Rhombic-Petaled Eveningprimrose

LOCATION: T

115 N

R 22 W

S 11

(S1/2 of the SW 1/4)

UTM Sec. 15 Coords:

4958453-4958498 N

465705 E

DATE: On-file w/DNR

Means of Identification:

DNR databases indicate the scattered presence of this species in the area. Environmental reviews conducted for the Southbridge Residential Development confirmed its presence on the lands now occupied by this development, primarily in open sandy soils found beneath the overhead electrical powerline corridor now operated by Xcel Energy. The field confirmation found this species mostly in dunes that were becoming stabilized by grasses in 1997-1998.

The species was added to the restoration seed mixture applied to the stormwater pond sideslopes at Southbridge and the West Deans Lake land across the lake from Southbridge. The source of seed used by the contractors is uncertain, but is believed to have been purchased from Prairie Moon Nursery near Winona, Minnesota.

Plants / colonies appear to remain beneath the powerlines, and individual plants have been found within the conservation easement for a constructed (mitigation) replacement wetland west of Deans Lake. Further use of this species in restoration mixes is not planned by the developers of Southbridge, or the current owner of the parcel west of Deans Lake, Ryan Companies US Inc.

This species is found on Minnesota's list of "Special Concern" species, the presence of these plants appears in each case to fall in locations within power transmission corridors that are not subject to development. In the areas of observed occurrence, the land has been conserved as Open Space, and in most cases, as a conserved (deed restricted) wetland buffer.